

**LOUISIANA 4-H FOUNDATION, INC.**  
Baton Rouge, Louisiana

**Financial Report**

**Years Ended June 30, 2010 and 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

9/29/10

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Louisiana 4-H Foundation, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of the Louisiana 4-H Foundation, Inc. (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana 4-H Foundation, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 24, 2010, on our consideration of the Louisiana 4-H Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

**Kolder, Champagne, Slaven & Company, LLC**  
Certified Public Accountants

Abbeville, Louisiana  
August 24, 2010

## **FINANCIAL STATEMENTS**

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Statements of Financial Position  
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 183,565	\$ 139,021
Receivables	200	58,050
Prepaid expenses	-	3,287
Total current assets	<u>183,765</u>	<u>200,358</u>
Non-current assets:		
Buildings and equipment	2,991	2,991
Accumulated depreciation	<u>(2,116)</u>	<u>(1,518)</u>
Total non-current assets	<u>875</u>	<u>1,473</u>
Total assets	<u>\$ 184,640</u>	<u>\$ 201,831</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ -	\$ 1,328
Net assets:		
Unrestricted	54,711	80,075
Temporarily restricted	<u>129,929</u>	<u>120,428</u>
Total net assets	<u>184,640</u>	<u>200,503</u>
Total liabilities and net assets	<u>\$ 184,640</u>	<u>\$ 201,831</u>

The accompanying notes are an integral part of this statement.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Statements of Activities  
For The Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Changes in unrestricted net assets:		
Contributions and other -		
General contributions	\$ 13,606	\$ 7,130
Foundation contributions	93,055	171,745
Concessions	-	8,269
Reimbursements	9,011	3,625
Other income	10,631	15,476
Interest income	1,453	1,190
Gain on disposal	-	28,665
Total contributions	<u>127,756</u>	<u>236,100</u>
Fund raising -		
Golf tournament	33,315	64,523
Ticket sales	10,069	7,894
License plates	1,511	2,788
Raffle ticket sales	-	29,400
Other	6,357	-
Total fund raising	<u>51,252</u>	<u>104,605</u>
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>47,747</u>	<u>15,137</u>
Expenses -		
Program services:		
Leadership and Citizenship	67,055	289,651
Supporting services:		
Fundraising expense	59,218	115,520
Management and general	125,846	122,861
Total expenses	<u>252,119</u>	<u>528,032</u>
Decrease in unrestricted net assets	<u>(25,364)</u>	<u>(172,190)</u>
Changes in temporarily restricted assets:		
Contributions		
4-H participants assistance	57,248	94,869
Net assets released from restrictions -		
Restrictions satisfied by payments	<u>(47,747)</u>	<u>(15,137)</u>
Increase in temporarily restricted assets	<u>9,501</u>	<u>79,732</u>
Decrease in net assets	<u>(15,863)</u>	<u>(92,458)</u>
Net assets, beginning	<u>200,503</u>	<u>292,961</u>
Net assets, ending	<u>\$ 184,640</u>	<u>\$ 200,503</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA 4-H FOUNDATION, INC.**  
Baton Rouge, Louisiana

**Statement of Functional Expenses**  
**For The Year Ended June 30, 2010**

	Program Services	Supporting Services		
	Leadership and Citizenship	Fund Raising	Management and General	Total Expenses
4-H participant events	\$ 28,155	\$ -	\$ -	\$ 28,155
Contributions - LSU foundation	19,847	-	-	19,847
Donor cultivation	-	-	6,801	6,801
Donation expense	19,000	-	-	19,000
Foundation expenses	-	27,901	65,154	93,055
Golf tournament	-	20,536	-	20,536
Meeting expense	-	-	14,048	14,048
Miscellaneous	53	-	301	354
Other	-	3,876	-	3,876
Postage and shipping	-	-	2,258	2,258
Printing	-	-	5,970	5,970
Professional fees	-	-	21,257	21,257
Supplies	-	-	2,523	2,523
Software maintenance	-	-	6,936	6,936
Ticket sales	-	6,905	-	6,905
<b>Total expenses before depreciation</b>	<b>67,055</b>	<b>59,218</b>	<b>125,248</b>	<b>251,521</b>
<b>Depreciation</b>	<b>-</b>	<b>-</b>	<b>598</b>	<b>598</b>
<b>Total</b>	<b>\$ 67,055</b>	<b>\$ 59,218</b>	<b>\$ 125,846</b>	<b>\$ 252,119</b>

The accompanying notes are an integral part of this statement.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Statement of Functional Expenses  
For The Year Ended June 30, 2009

	Program Services	Supporting Services		
	Leadership and Citizenship	Fund Raising	Management and General	Total Expenses
4-H participant events	\$ 14,540	\$ -	\$ -	\$ 14,540
Club congress tours	1,597	-	-	1,597
Contributions - LSU foundation	23,514	-	-	23,514
Donation expense	250,000	-	-	250,000
Foundation expenses	-	57,742	67,762	125,504
Golf tournament	-	39,989	-	39,989
Insurance	-	-	807	807
Interest expense	-	-	1,777	1,777
Meeting expense	-	-	3,261	3,261
Miscellaneous	-	-	25,502	25,502
Postage and shipping	-	-	1,405	1,405
Printing	-	-	1,021	1,021
Professional fees	-	-	10,742	10,742
Raffel	-	11,500	-	11,500
Supplies	-	-	2,864	2,864
Ticket sales	-	6,289	-	6,289
Total expenses before depreciation	289,651	115,520	115,141	520,312
Depreciation	-	-	7,720	7,720
Total	<u>\$ 289,651</u>	<u>\$ 115,520</u>	<u>\$ 122,861</u>	<u>\$ 528,032</u>

The accompanying notes are an integral part of this statement.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Statements of Cash Flows  
For The Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	<u>\$ (15,863)</u>	<u>\$ (92,458)</u>
Adjustments to reconcile change in net assets to net cash flow from operating activities -		
Depreciation	598	7,720
(Increase) decrease in operating assets		
Receivables	57,850	(50,243)
Prepaid expenses	3,287	(3,287)
Increase (decrease) in operating liabilities		
Accounts payable	(1,328)	818
Accrued interest payable	-	(200)
Deferred income	-	(11,500)
Total adjustments	<u>60,407</u>	<u>(56,692)</u>
Net cash provided (used) by operating activities	44,544	(149,150)
Cash flows from investing activities:		
Donated assets	<u>-</u>	<u>221,336</u>
Cash flows from financing activities:		
Payments on note payable	<u>-</u>	<u>(45,048)</u>
Net increase in cash and cash equivalents	44,544	27,138
Cash and cash equivalents, beginning of year	<u>139,021</u>	<u>111,883</u>
Cash and cash equivalents, end of year	<u>\$ 183,565</u>	<u>\$ 139,021</u>
Interest paid	<u>\$ -</u>	<u>\$ 1,977</u>

The accompanying notes are an integral part of this statement.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Louisiana 4-H Foundation, Inc. (Foundation) is a non-profit corporation organized under the laws of the State of Louisiana. The Foundation's mission is to secure private funding for the enhancement of the 4-H Youth Development Program. These programs assist the youth of Louisiana to learn leadership, citizenship, and life skills.

B. Statement of Cash Flows

For purposes of the statement of cash flows, the Foundation considers all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents.

C. Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished; temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free discount rates applicable to the years in which the promises are to be received.

D. Income Tax Status

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The Foundation is not classified as a private foundation.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

E. Donated Services and Materials

A substantial number of volunteers have donated time to the Foundation's program and supporting services. No amounts have been included in the financial statements for the donated services of volunteers because the criteria for recognition of such volunteer effort under FASB ASC 958-605-25 (formerly Statement of Financial Accounting Standards (SFAS) No. 116) have not been satisfied. Other donated services and donated materials are stated at their estimated fair value on the date donated. Donated services and materials for the years ended June 30, 2010 and 2009 was \$-0- and \$-0- respectively.

F. Depreciation

Land, buildings and equipment are valued at cost, or fair market value in the case of donated property. The Foundation maintains a threshold level of \$500 or more for capitalizing capital assets. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Buildings and improvements	7 - 31 years
Furniture and equipment	5 - 7 years

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Receivables

The following is a summary of receivables at June 30, 2010 and 2009:

	2010	2009
Individual and corporation contributions	\$ -	\$ 52,500
Other	200	5,550
	<u>\$ 200</u>	<u>\$ 58,050</u>

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

(3) Non-Current Assets – Land, Buildings and Equipment

The following is a summary of land, buildings and equipment at June 30, 2010 and 2009:

	2010	2009
Furniture, and equipment	\$ 2,991	\$ 2,991
Less: Accumulated depreciation	(2,116)	(1,518)
Net land, buildings and equipment	<u>\$ 875</u>	<u>\$ 1,473</u>

Depreciation expense for the years ended June 30, 2010 and 2009 was \$598 and \$7,720, respectively.

(4) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purpose:

	2010	2009
Hurricane Relief - Financial aid to 4-H participants affected by Hurricanes Katrina and Rita and for repairs to hurricane damaged assets owned or maintained by 4-H organizations	\$ 30,526	\$ 37,108
4-H Events- Defers the costs incurred by 4-H participants who are being honored at or participating in various 4-H sponsored events.	99,442	83,320
	<u>\$ 129,968</u>	<u>\$ 120,428</u>

(5) Related Party Transactions

The Louisiana 4-H Foundation, Inc. paid \$- and \$46,825 in principle and interest during 2010 and 2009, respectively, for a loan obtained from Gibbsland Bank & Trust, which one of its officers was a board member of the Louisiana 4-H Foundation, Inc. During 2009 the loan was paid in full and the board member resigned from the Louisiana 4-H Foundation, Inc.'s board.

(6) Concentration of Credit Risk

The Organization's cash is deposited in one financial institution. Cash accounts at banks are insured by the FDIC for up to \$250,000. Amounts in excess of insured limits were approximately \$- and \$- at June 30, 2010 and 2009, respectively.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

(7) Risk Management

The Louisiana 4-H Foundation, Inc. is exposed to risks of loss in the areas of general liability and property hazards. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements did not exceed insurance coverage during 2010 or 2009.

(8) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Louisiana 4-H Foundation, Inc. expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

(9) Cooperative Endeavor

On May 27, 2008 the Louisiana 4-H Foundation, Inc. entered into a cooperative endeavor with the State of Louisiana. The purpose of this cooperative endeavor is to provide the Louisiana 4-H Foundation, Inc. with \$250,000 from the State of Louisiana's capital outlay funds for improvements to Camp Windywood. All revenues received and expenses incurred during the fiscal year related to this endeavor are recorded in the Statement of Activities.

(10) Camp Windywood Lease

On October 6, 2005 the Louisiana 4-H Foundation, Inc. entered into a lease with the Louisiana State University Agricultural and Mechanical College for the lease of the land, buildings and improvements described as Camp Windywood. The lease commenced on November 1, 2005 and ended on October 31, 2008. Upon expiration of the terms of the lease the Louisiana 4-H Foundation, Inc. donated the property to the LSU Ag Center. During 2009, in accordance with the terms of the lease, the Louisiana 4-H Foundation, Inc. donated Camp Windywood to the LSU Ag Center. This donation is recorded as donation expense in the Statement of Functional Expenses at its estimated fair value. The fair value adjustment to Camp Windywood resulted in the recognition of a gain of \$28,665.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

(11) Fair Value Measurement

Fair values of assets and liabilities measured on a nonrecurring basis are as follows:

Fair Value Measurement Using					
	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)
June 30, 2010					
Description					
Camp					
Windywood	\$ -	\$ -	\$ -	\$ -	\$ -
June 30, 2009					
Description					
Camp					
Windywood	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ 28,665

(12) Donated Facilities

The Louisiana 4-H Foundation, Inc. receives the free use of office space in LSU's facilities. Contributions and expenses related to the donated office space amounting to \$29,268 have been reflected in the accompanying statement of activities.

(13) Subsequent Events

The Foundation has evaluated subsequent events through August 24, 2010, the date which the financial statements were available to be issued.

(14) On Behalf Payments

The Louisiana 4-H Foundation, Inc. has an affiliation agreement with the Louisiana State University (LSU) Foundation wherein the LSU Foundation maintains both endowed and unendowed funds for the Louisiana 4-H Foundation, Inc. These funds are administered, distributed, and accounted for by the LSU Foundation. These funds are distributed, when available, at the request of the Louisiana 4-H Foundation, Inc. to fulfill certain needs of the Louisiana 4-H Foundation, Inc. and provide participants of various 4-H organizations throughout Louisiana with scholarships, after school and summer activities and other events. The distribution of these funds provides an economic benefit to the Louisiana 4-H Foundation, Inc. During the fiscal years ended June 30, 2010 and 2009 on behalf funds distributed were \$253,718 and \$360,416, respectively.

## **SUPPLEMENTAL INFORMATION**

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

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## REPORT INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Louisiana 4-H Foundation, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana 4-H Foundation, Inc. (a nonprofit organization) as of and for the years ended June 30, 2010 and 2009 and have issued our report thereon dated August 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana 4-H Foundation, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana 4-H Foundation, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We consider item 10-1(IC) in the accompanying schedule of current and prior year audit findings and management's corrective action plan to be a material weakness. We identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 10-1(IC) to 10-2(IC) to be a significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or combination of deficiencies, in

internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana 4-H Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Louisiana 4-H Foundation, Inc.'s responses to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. We did not audit the Louisiana 4-H Foundation, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization and grant awarding agencies. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
August 24, 2010

## **OTHER SUPPLEMENTARY INFORMATION**

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
June 30, 2010 and 2009

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
<b>CURRENT YEAR (6/30/10) --</b>						
<b>Internal Control</b>						
10-1(C)	Unknown	Due to the small number of employees, the Foundation did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the administrative office and the cost-benefit of additional personnel, management feels it may not be feasible to achieve complete segregation of duties.	Eric A, Eskew Executive Director	N/A
10-2(C)	6/30/2007	The Foundation does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	N/A	The Foundation has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Foundation to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Eric A, Eskew Executive Director	N/A
<b>PRIOR YEAR (6/30/09) --</b>						
<b>Internal Control</b>						
09-1(C)	Unknown	Due to the small number of employees, the Foundation did not have adequate segregation of functions within the accounting system.	N/A			

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

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and Management's Corrective Action Plan  
June 30, 2010 and 2009

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Date Of Completion</u>
PRIOR YEAR (Continued) --						
09-2(IC)	6/30/2007	The Foundation does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	N/A			
Management Letter						
09-3(ML)	6/30/2009	The Foundation expenditures are not being properly recorded based on whether the expenditure is for program, support, or fundraising purposes.	Yes			
09-4(ML)	6/30/2009	The Foundation revenues are not being properly classified based on the source of the revenue and any related donor imposed restrictions.	Yes			